Artisan Food Production, Small Family Business and the Scottish Food Paradox

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Abstract

Purpose
This paper draws together three strands of work currently being carried out at Queen Margaret University in Edinburgh to take an overview of food in Scotland and on-going local interventions. The provision of 'artisan' food, defined here as food that forms part of the established tradition of its local area, usually produced on a relatively small scale, has become prominent in Scotland in recent years and is seen by many as part of a developing food culture that begins to address the Scottish Food Paradox.

Design/Methodology/Approach
A review of current research that considers artisanal food production and work that researches small and family enterprises was undertaken

Findings
Small business support within the UK and indeed tailored support for businesses owned and managed by families is in a developmental phase at present. While there are numerous sources from which businesses can seek support, there are also acknowledged challenges for businesses in identifying the most appropriate sources of support and the opportunity cost of engaging with business support agencies remains a serious concern for many. Further, much business support prioritizes high growth businesses effectively de-prioritizing artisanal food producers.

Research Limitations/Implications
The development and promotion of appropriate business support systems tailored to artisanal food production is an area that would merit further development

Originality/Value
The value of this piece lies in its blending of two distinct areas of work, considering both the challenges faced by artisanal food producers and recent research in family and smaller enterprises

Introduction

Scottish food and the 'Scottish Food Paradox' are at the heart of a dilemma that is vital to the future health and well-being of people in Scotland but that crosses a number of different areas of specialist knowledge. Scotland has a wide range of high quality food, often produced on a small scale by 'artisan' businesses. This high-quality food production is not fully reflected in the national diet, however. Scotland's diet – on a population wide basis – regularly receives criticism on health grounds and is part of the problem that lead to Scotland being labelled the 'sick man of Europe'. This paper sets out to explore this apparent paradox, focussing on small, artisan food producers in the Scottish borders and the challenges they face in a market dominated by a small number of major supermarkets. In this market, small independent food manufacturers face both business challenges and difficulty in accessing the business support made available at considerable cost by business support agencies. Considering historical and current food production and consumption in Scotland, alongside research from the field of small business, the paper proposes a technology based solution to encompass sustainability in its widest sense.

Food provision in Scotland has strong links to the UK, European and indeed International agendas, but in a historical context the UK remains a strong influence. The history of UK food production and consumption in the 20th century is viewed here, therefore, as a foundation point for current studies of regional food production, which relates to British food policy during the First World War. Barnett (1985, p.194) suggested, "that the war exposed forty years of erroneous farming policy in an instant and converted men overnight…into protectionists and interventionists". As this time period alludes back to the late 19th century the general *laissez-faire* attitude of government, farmers and the general populace towards food production was indicative of the times and perhaps educational ignorance towards food. The sudden necessity to cultivate mass crops to support armies fighting in northern France was a catalyst that provoked inquiry

how to produce food in greater quantities and in a sustainable manner. This may prove to be a simile for the current food production in the UK.

In British terms, food production was not to be transformed by this first war. A second war was on the horizon and hunger, starvation, deprivation and rationing was to become the norm and an acceptable consequence of conflict. As a contemporary commentator noted, “death by famine lacks drama” (Collingham 2011, p. 15). Zweiniger-Bargielowska (2002) describes the ending of this period of austerity in the mid 1950’s by the then Conservative government who announced the end of rationing in 1954 and encouraged growth in consumer spending on food, clothing and household goods. The average consumer food spend during this new period of growth was estimated to be around 30% of their available household budget. Compare this to more recent estimations of spending and we can see that for 50+ age group, it was estimated that in 2017, food and non-alcoholic drink sales represented 10% of their total expenditure (ONS, 2018).

By the 1980’s UK farming and food production accounted for 12% of manufacturing outputs (Chandler *et al* 1999) and moving into the millennium the advent of TV chefs and the mass importation of food and drink into the UK, by supermarket chains, had moved food and drink up many social, cultural and political agendas (Taddeo and Dvorak, 2010). The rise and rise of the British supermarket was dominated by Marks and Spencer and Waitrose up until the 1990’s when German budget chains Lidl and Aldi arrived on the scene to cater for those who could not afford the so called ‘top-end’ supermarket giants. Ironically the legislation that allowed and encouraged massive growth of banks and multi-national institutions to proliferate and make billions in profits were found out in the 90’s when the banking system, collapsed (Guardian, 2017). Public faith and trust fell quickly in not only the banks but the high street and out of town supermarkets. Food no longer required a label but it did require to be of good quality.

From this unlikely beginning was established the early stages of the artisan food movement, developed by different individuals and organisations, but sharing a common will to promote and

protect smaller regional food producers who often make foods concurrent with local history. The Scottish Government has recently established a food and drink agenda that values this sector and is actively encouraging growth. Within this, recognition is also given to the 'Scottish food paradox'- a term that here refers to the abundance of excellent food resources within a country that has one of the poorest national dietary health records within the developed world (Scottish Government 2009). It is ironic that for many of Scotland's citizens there is a disconnect from the abundance of fresh, local produce that for many is almost literally 'on the doorstep'.

This Scottish Food Paradox is well evidenced within the Scottish Borders, which form the focus for this paper. The Scottish Borders, defined here as the local authority area south of Edinburgh and Glasgow, represents the eastern part of the Southern Uplands of Scotland and is an area with a number of acknowledged challenges. Relatively rural in nature, with a number of small towns, the Scottish Borders remain culturally distinct from the major cities of Edinburgh and Glasgow but are less fashionable as tourism destinations than either the major cities or indeed the Scottish Highlands. This combination, allied to a historically under-developed infrastructure, has created a group of relatively traditional communities where artisanal food production thrives, often focusing upon traditional production methods on a relatively small scale.

However, this is a group of businesses for whom sustainability provides a major challenge as they attempt to survive and thrive socially, economically and environmentally in an arena where a numerically-dominant group of small producers compete directly with a few, much larger food producers and retailers, evidenced bia the Scottish Borders Food and Drink Network (SBFDN, 2018) The recently re-opened Borders railway link potentially adds much to the transport infrastructure. The two main north/south road links (A7 and A68) linking the Scottish capital with northern England and all routes south via the Scottish Borders, have toiled for decades to provide a full passenger transport service that meets the needs of the local populace. The new rail-link

provides capacity to assist movement of locally produced goods outwards to the market place as well as bringing in the much-valued tourist pound and spending ability to support this rural setting.

Part of the rationale for this research is the lack of acknowledgement of the artisan foods and drinks that are produced in the Scottish Borders area. Jackson (2013, p. 25) suggests that artisan food should be considered in terms of "mastery and craft production involving an historical, experiential and intuitive understanding, acquiring skills…from experienced practitioners, emphasising hands-on and tacit knowledge rather than learning by rote or from the book". Anecdotal evidence suggests that the Borders area appears to be a rather overlooked part of Scotland especially in terms of its 'findability' via online forums. While there is certainly a Borders food network online, the Scottish government's website lacks the same amount of in-depth detail on the Scottish Borders that one might find for The Highlands and other parts of the nation. Similarly, the Scotland Food and Drink website contains dedicated written sections to every region of Scotland except for the Scottish Borders (Scottish Food and Drink, 2013). Even dedicated websites produced by local food groups are poorly designed, scripted and maintained. The Scottish Borders Council website has no links at all on its website to any food related production except for the promotion of food hygiene programmes at the local college (Scottish Borders Council, 2014).

Devine (2011) suggests that there is something of a renaissance happening with Scottish artisan food and drink and there are already over 400 small and medium enterprises that fit into this category - she suggests, "more and more people care about local produce, food miles and the provenance of their produce". This provenance of produce is one that perhaps holds greater significance than one may at first assume. Fonte (2010) whilst discussing sustainability of food in rural areas considers the spatial influences and interestingly advises of the complexity of global food chains (food that comes from nowhere) in comparison to the potential importance of local

food economies and the social, cultural and territorial context attached to them. Massey (1994) describes spatial barriers in local and global terms but questions whether we, as indigenous communities, “can retain any sense of a local place and its peculiarity…..can we rethink our sense of place…..and be progressive, not self-closing and defensive but outward-looking”? Similarly, Tudge (2011) refers to marketing methods, the food supply chain and prescribes a need for non-centralised food depots that suit supermarkets but not so the ‘enlightened’ farmer. This enlightenment would require a new food chain that potentially builds upon farmers markets and direct farm selling. Freckleton *et al* (1989) describe the processes within the food chain and challenges of getting food from primary producers to the final consumer. Added to these particular issues is the question of ‘traceability’ and how producers may use this as a ‘tool’ in relation to food safety, quality and customer confidence (Min Aung and Seok Chang, 2014).

The pursuit of an enlightened approach to food stands, in many ways, at odds with the rising and indeed consolidated power of the supermarkets and indeed their current branding strategy. Current industry practice uses particular place names to promote their goods; for example Marks and Spencer (M & S) Oakham Chicken range utilises ‘Oakham’ to influence consumers that the name conjures an image of a traditional farm. Wallop (2010) however asks, “if supermarkets are abusing our appetites for local food”? The town of Oakham does not actually supply M & S with chickens; instead this poultry range originates from a number of farms from Northern Ireland to Suffolk but all are labelled as ‘Oakham’. This is common practice to subliminally influence consumer purchasing. However, there are clearly knowledge gaps for smaller producers in terms of competitiveness with the supermarkets and one question raised here is around he support mechanisms that might support change.

In their seminal work on service quality in the 1980’s and 1990’s, these knowledge gaps were referred to by Zeithaml *et al* (1990) as having a number of different phases and included gaps in

customer awareness/perceptions and similar traits by managers who were trying to deliver a service. There is a possibility that a lack of collective thought and effort may be detrimental to the promotion of artisanal food in this area. In recent years, several small communities have as a group, successfully jointly promoted their wares – 'A Taste of Arran' being a notable example (A Taste of Arran, 2014).

Small Business, Knowledge and Networks

Small business and indeed regional development can be considered from a variety of theoretical perspectives, including that of space (Seaman and Graham, 2012; Seaman, 2012; 2013; 2015) and the role it plays in the development of the networks that in turn play a role in knowledge sharing and local economies (Seaman, 2013; 2015; 2017). The construct that to develop successfully small businesses, usually owned and managed by a single family require space that can in turn be characterised as conceptual, cultural, community and contingency space has been discussed within the literature and forms the basis for current research. The constructs of space proposed are relatively simple: to develop successfully businesses require conceptual space for ideas to develop and cultural space where business development is seen as a desirable activity. Both conceptual and cultural space may overlap to some extent with community space, although it should be noted that the definition of community used here is deliberately broad and includes communities of professional and social practice alongside the physical communities that are more commonly associated with the term. To develop and thrive, however, contingency space is also required, where challenges can be addressed and indeed where the social and financial capital that may prove vital to business survival during crises or indeed phases of rapid development. The overlapping constructs of space are captured in Figure 1 and are used here as the basis for a consideration of the networks that exist around businesses.

Insert Figure 1: Four Constructs of Family Business Space (Seaman, 2013; 2013)

The role that space plays in the development of business is, it is proposed, mediated through social networks. Social networks are made up of nodes [individual people or groups], embedded within networks of inter-relationships with other nodes [Granovetter, 1973]. Much has been made of the nature of strong or weak ties – defined as depending on the degrees of time, intimacy and reciprocal services which characterise the tie – but recent suggestions suggest that connections between individual family members (ties) may act as a distinct type of tie [Barney et al, 2009; Seaman, 2015]. This interpretation is open to debate, as blood ties do not necessarily imply family ties, for example, and indeed some aspects of the traditional 'strong' tie, such as trust, may be highly context dependent within families. The context specific nature of family ties is in fact probably an exaggerated version of the similar situation within social networks, but it can create circumstances where a family tie is trusted to look after a child but not trusted in a business context, for example (Seaman, 2010).

This consideration of the space required for network development should not, however, deny the core importance of networks themselves. Networks are of substantial and acknowledged importance for business start-up and development, but the networks of the business family offer a distinct and often under-researched phenomenon. Despite relative agreement about what a network is, the manner in which networks have traditionally been researched has traditionally focussed upon either the business aspect or the social aspect. Recent research in the literature surrounding business strategy, however, has focussed upon the multi-dimensional nature of decision making in the family business and it is proposed here that this has some relevance to networking in a business family context. Within a family business, three elements have traditionally been considered to inter-twine: the family, the business and the family business. Within a business family, there may easily be more than one business, but the principal of inter-

twining networks remains a distinct factor. Mono-rational approaches, which consider the business factors in isolation are less likely to provide detailed under-standing than multi-rational approaches which acknowledge the family dimension and the potential for two or more rationalities to intertwine (Seaman et al, 2014). If this principal is true of strategy, then it is likely to be even more appropriate in networking research where a social dimension is a long-established facet. In the rural agri-business family, the blend of strong and week ties and the manner in which business is facilitated by network capital is key: this aspect has especial importance given the growing evidence that the family forms a different and unique form of strong tie [Barney et al, 2004] and the relative manner in which strong and family ties in different economic conditions. Further, family ties appear to be more important in entrepreneurial opportunity recognition than in resource acquisition – but it is proposed here that the role networks play in linking the various spaces of the rural economy is of key importance for the future and on-going development of the business community in the Scottish Borders.

The debate surrounding who might be responsible for creating space for agri-business families and the manner in which this might best be achieved touches on a number of central debates in terms of political thinking, the philosophy of the role [or otherwise] of the State – in its regional, national and wider forms - and individual in rural economic development (Seaman, 2015).

Business support and Routes Forward

Business support is an extensive area of study in its own right, which has been characterised by previous authors as an environment where a great deal of support is available but finding the most appropriate route to that support and indeed the time required to look is a very real problem for many small, family owned and managed businesses. Further, identifying appropriate support is difficult and identifying what counts as ‘good’ advice represents a very real challenge. The use of the Edinburgh Knowledge Hedge Model to characterise this challenge and indeed the barriers

that may interfere with this process was an initial attempt to capture some of this information (Bent et al, 2012), presented here as Figure 2:

Figure 2: The Edinburgh Knowledge Hedge (Bent et al , 2012)

A key part of the development of the Edinburgh Knowledge Hedge was an understanding that, while small businesses theoretically have many support agencies that can help them to address the challenges they face, finding appropriate support is something they commonly struggle with. Further, research suggests that the complexity of current business support systems leaves some support that might be useful overlooked, with a simultaneous danger that excessive time is wasted in the search for the 'right person to talk to'. Whilst this is not a challenge with a simple solution, the Hedge model characterises the many internal and external challenges small businesses face in their search for support that often exists and indeed with a UK context receives extensive financial support from Government. Acknowledging the challenges does not, however, present an immediately accessible alternative and the challenge within the Scottish Borders is to consider how the practicalities might reasonably be addressed.

Conclusions

Scottish food is at the heart of what has become known as 'the Scottish Paradox'. Scotland has a wide range of high quality food, often produced on a small scale by 'artisan' businesses. This high-quality food production is not fully reflected in the national diet, however. Scotland's diet – on a population wide basis – regularly receives criticism on health grounds and is part of the

problem that lead to Scotland being labelled the 'sick man of Europe'. This paper set out to explore this apparent paradox, focussing on small, artisan food producers in the Scottish borders and the challenges they face in a market dominated by a small number of major supermarkets. The purpose of this paper is a deliberate attempt to draw together the differing strands of work that relate to artisan food producers in the Scottish Borders but within the context that practical, evidence based solutions and ideas for future development are unlikely to come easily from within one academic discipline. This encompassing of food related work and research that sits predominantly within the field of small and family enterprise is unusual but in building a multi-disciplinary perspective this paper aims to contribute to the debate that surrounds regional economic and social development in its widest sense. Critically, evidence suggests that artisan food producers are often very confident in their food product and that this stands at the heart of their 'business identity'. This awareness of the space that their food product occupies may not apply, however, to the aspects that relate predominantly to small or family business identity. In support of this precept, a number of areas have been identified within the Scottish Borders that stand as areas of concern for this group of smaller food producers, including:

- The promotion of their food, both as individuals and collectively as a region
- The use of contemporary marketing techniques to reach customers who, while they may very well 'believe' in the products are nevertheless making purchase decisions based upon websites, social media, social networking
- Lack of awareness shown by local and national legislators in terms of local food production value
- Lack of indigenous peoples connection with locally produced foods, encapsulated within the Scottish Food Paradox
- Lack of awareness as to how to capitalise upon the name and origin of food

Further research would allow a qualitative approach to an ethnographic study and triangulate data collected by several means. Importantly, however, we also suggest that practice-based research would be a useful tool in this area and would allow firms who are looking for help with – say - their social media marketing strategy to engage with researchers on a developmental level. This research is important for several reasons and there is sound rationale to continue with it. Firstly

there are potentially a great number of these artisan producers in the area who may be struggling to survive due to some of the aforesaid reasons. Additionally there is currently no definitive list as to how many, or where these producers are operating, nor are there any clear indications as to where the marketplaces are for the end-users. Local legislators and the government appear to be somewhat myopic in relation to the Scottish Borders and the artisan food producers who are facing uncertain futures without an approach that combines small business and food-based advice on an on-going basis. The development of a digital map of producers would allow greater promotion of small food producers in rural area, supporting financial sustainability and offering a stronger basis for a networked and nuanced approach to environmental sustainability. Where business survival is perilous, environmental sustainability may drop down the priorities and, whilst financial success is no guarantee of environmental responsibility a degree of financial stability is imperative to support other developments. Further, whilst the Scottish Borders are vital they are not unique and developments trialled here could reasonably be rolled out to other rural areas of Scotland and indeed a wide variety of countries.

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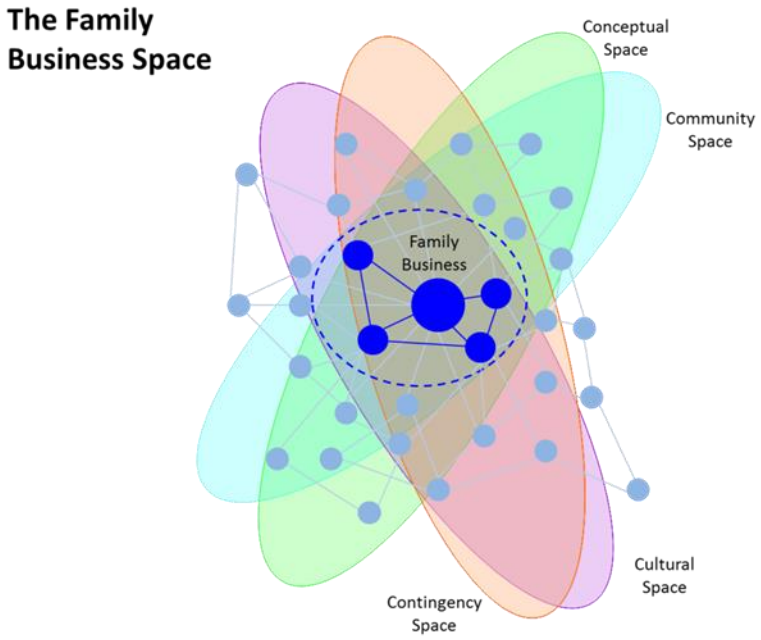

Figure 1 Four Constructs of Family Business Space (Seaman, 2013; 2014)

The four constructs of family business space model was developed from earlier work the considered the conditions and spaces required for growth in smaller family businesses. Allied to the requirement that business must be seen as culturally appropriate in the community in which it is based is the construct that new concepts for the development of the business must exist and space to address the contingencies of business must be available, usually by drawing on financial or social capital.

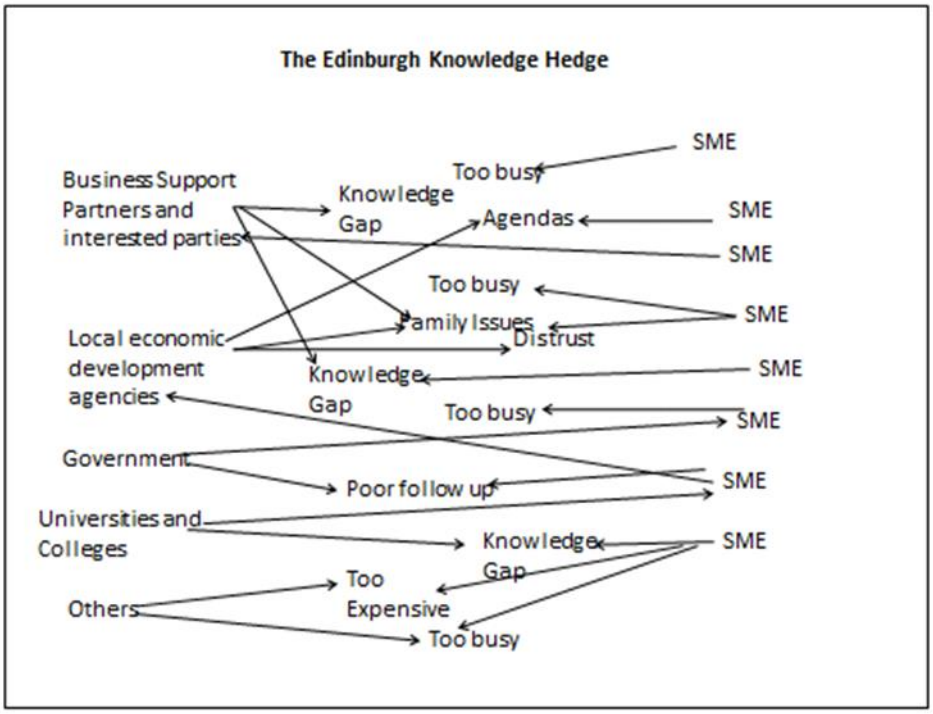

Figure 2: The Edinburgh Knowledge Hedge (Bent et al , 2012)

The Edinburgh Knowledge Hedge draws on research with a wide variety of small businesses and seeks to encapsulate some of the barriers that influence the interface between well-intentioned, often public sector, support and the smaller businesses that are the target